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The Dow Chemical Company
2006 JUN 16 PM 2:57
Midland, Michigan 48674
USA

April 17, 2006

AR/OK/TX BRANCH

Gary Miller
Remedial Project Manager
US EPA Region 6
1445 Ross Avenue
Suite 1200
Mail Code: 6SF-AP
Dallas, TX 75202-2733

**DEMONSTRATION OF FINANCIAL ASSURANCE FOR
GULFCO MARINE MAINTENANCE - CERCLA FACILITY**

Dear Sir:

I am the chief financial officer of The Dow Chemical Company, 2030 Dow Center, Midland, Michigan 48674. This letter is in support of this firm's use of the financial test to demonstrate financial assurance at the subject CERCLA facility.

1. This firm is a potentially responsible party at the following CERCLA facility for which financial assurance is demonstrated. The current closure and/or post-closure cost estimates covered by the test are shown for each facility:

| <u>EPA ID#</u> | <u>NAME & ADDRESS</u> | <u>COST ESTIMATES</u> |
|-----------------|-----------------------------------------------------------------------------|-------------------------------|
| <u>REGION 6</u> | | |
| TXD055144539 | Gulfc0 Marine Maintenance 906 Marlin Avenue Freeport, TX 77541 - 9630 | Corrective Action = \$820,000 |

2. This firm guarantees, through the guarantee specified in Subpart H of 40 CFR Parts 264 and 265, the closure or post-closure care of the following CERCLA facilities owned or operated by the guaranteed party. The current cost estimates for the closure or post-closure care so guaranteed are shown for each facility:

None.

The firm identified above is the direct or higher-tier parent corporation of the owner or operator.

3. In States where EPA is not administering the financial requirements of Subpart H of 40 CFR Parts 264 or 265, this firm, as owner or operator or guarantor, is demonstrating financial assurance for the closure or post-closure care of the following facilities through the use of a test equivalent or substantially equivalent to the financial test specified in Subpart H of 40 CFR Parts 264 and 265. The current closure and/or post-closure cost estimates covered by such a test are shown for each facility:

None.



4. This firm is the owner or operator of the following hazardous waste management facilities for which financial assurance for closure or, if a disposal facility, post-closure care, is not demonstrated either to EPA or a State through the financial test or any other financial assurance mechanism specified in Subpart H of 40 CFR Parts 264 and 265 or equivalent or substantially equivalent State mechanisms. The current closure and/or post-closure cost estimates not covered by such financial assurance are shown for each facility:

None.

5. This firm is the owner or operator of the following UIC facilities for which financial assurance for plugging and abandonment is required under Part 144. The current closure cost estimates are required by 40 CFR 144.62 are shown for each facility:

None.

6. RCRA liability. See the attached CFO Letter to Texas Commission on Environmental Quality dated March 27, 2006, for financial assurance applicable to facilities other than the CERCLA facilities listed above in paragraph 1.

Sum of current RCRA closure and post-closure cost estimates = \$409,104,547

This firm is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on December 31. The figures for the following items marked with an asterisk (*) are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended December 31, 2005.

PART B. CLOSURE OR POST-CLOSURE CARE AND LIABILITY COVERAGE

ALTERNATIVE II

- | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------|
| 1. Sum of current closure and post-closure cost estimates (total of all cost estimates listed above) | \$409,924,547 | |
| 2. Current bond rating of most recent issuance and name of rating service | A- (S&P) | |
| 3. Date of issuance of bond | November 22, 2002 | |
| 4. Date of maturity of bond | November 15, 2007 | |
| 5.* Tangible net worth (if any portion of the closure or post- closure cost estimates is included in "total liabilities" on your financial statements you may add that portion to this line) | \$11,741,000,000 | |
| 6.* Total assets in the U.S. (required only if less than 90% of assets are located in the U.S.) | \$24,652,000,000 | |
| | <u>YES</u> | <u>NO</u> |
| 7. Is line 5 at least \$10 million? | X | |
| 8. Is line 5 at least 6 times line 1? | X | |
| 9.* Are at least 90% of assets located in the U.S.? If not complete line 10. | | X |
| 10. Is line 6 at least 6 times line 1? | X | |

I hereby certify that the wording of this letter is substantially similar to the wording specified in 40 CFR 264.151(g) as such regulations were constituted on the date shown immediately below.



Geoffery E. Merszei
Executive Vice President
And Chief Financial Officer
The Dow Chemical Company

April 17, 2006

cc: Michele Osmun, The Dow Chemical Company, 2030 Dow Center, Midland, MI 48674
Rob Rouse, The Dow Chemical Company, 2030 Dow Center, Midland, MI 48674
Elizabeth Webb, Thompson & Knight LLP, 98 San Jacinto Blvd., Suite 1900, Austin, TX 78701

NOTE: Please direct all correspondence related to this letter to Michele Osmun, 2030 Dow Center, Midland, MI 48674. Phone (989) 636-5581 or Fax (989) 638-9636.

INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
The Dow Chemical Company
Midland, Michigan

We have performed the procedures included in the Code of Federal Regulations ("CFR"), Title 40, Part 264, Section 143 (40 CFR 264.143), which were agreed to by the US Environmental Protection Agency - Region 6 - Remedial Project Manager and The Dow Chemical Company ("Dow"), solely to assist the specified parties in evaluating Dow's compliance with the financial test option as of December 31, 2005, included in the accompanying letter dated April 17, 2006 from Mr. Geoffery E. Merszei of Dow. Management is responsible for Dow's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and related findings are as follows:

We recomputed from, or reconciled to, the audited consolidated financial statements of Dow as of and for the year ended December 31, 2005, on which we have issued our report dated February 8, 2006 (which report expresses an unqualified opinion and includes an explanatory paragraph relating to a change in the method of accounting for stock-based compensation to conform to Statement of Financial Accounting Standard No. 123 for new grants of equity instruments to employees) the information included in Items 5, 6 and 9 under the caption Alternative II in the Letter referred to above and noted no differences.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying letter dated April 17, 2006. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the board of directors and management of Dow and the specified parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than these specified parties.

Deloitte & Touche LLP

April 17, 2006



The Dow Chemical Company
Midland, Michigan 48674
USA

2030 DOW CENTER
March 27, 2006

COPY

Mr. Mark Stoebner
Director
Texas Commission on Environmental Quality
12100 Park 35 Circle
Austin, TX 78753

LETTER FROM CHIEF FINANCIAL OFFICER

Dear Mr. Stoebner:

I am the chief financial officer of The Dow Chemical Company, 2030 Dow Center, Midland, Michigan, 48674. This letter is in support of the use of the financial test to demonstrate financial responsibility for liability coverage and closure, post closure, or corrective action as specified in 30 Texas Administrative Code (TAC) Chapter 37 (relating to Financial Assurance).

The firm identified above is the owner or operator of the following facilities for which liability coverage for both sudden and nonsudden accidental occurrences is being demonstrated through the financial test specified in 30 TAC §37.541 (relating to Financial Test for Liability):

| <u>EPA ID#</u> <u>REGION 6</u> | <u>NAME/ADDRESS</u> | |
|-----------------------------------|----------------------------------------------------------------------------------------------------|---------------------------------------------------------------|
| TXD008092793 | The Dow Chemical Company Texas Operations B-1226 Freeport, TX 77541 | Sudden = \$2,000,000 Nonsudden = \$6,000,000 |
| TXR000057414 | The Dow Chemical Company Clear Lake Operations 9502B Bayport Boulevard Pasadena, TX 77507 | Sudden = \$2,000,000 |

The firm identified above guarantees, through the guarantee specified in 30 TAC §37.551 (relating to Corporate Guarantee for Liability), liability coverage for both sudden and nonsudden accidental occurrences at the following facilities owned or operated by the following:

None.

The firm identified above is the direct or higher-tier parent corporation of the owner or operator.

The firm identified above owns or operates the following facilities in Texas for which financial assurance for closure, post closure, or corrective action or liability coverage is demonstrated through a financial test specified in 30 TAC Chapter 37. The current cost estimates covered by the test are shown for each facility:

REGION 6

| | | |
|--------------|----------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| TXD008092793 | The Dow Chemical Company Texas Operations B-1226 Freeport, TX 77541 | Closure = \$66,754,361 Post-Closure = \$25,980,850 Corrective Action = \$144,814,964 |
| TXD000017756 | The Dow Chemical Company La Porte Facility PO Box 687 La Porte, TX 77571 | Corrective Action = \$4,250,000 |
| TXR000057414 | The Dow Chemical Company Clear Lake Operations 9502B Bayport Boulevard Pasadena, TX 77507 | Closure = \$843,324 |

1. The firm identified above guarantees, through a corporate guarantee specified in 30 TAC Chapter 37, the cost for closure, post closure, corrective action, or liability coverage of the following facilities owned or operated by the guaranteed party. The current cost estimates so guaranteed are shown for each facility:

REGION 6

| | | |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------|
| TXD096037932 Used Oil #A85819 | Johann Haltermann Ltd. Dow Haltermann Houston Jacintoport Plant 16717 Jacintoport Boulevard Houston, TX 77015 | Closure = \$284,247 |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------|----------------------------|

2. In States where TCEQ is not administering the financial requirements of 30 TAC Chapter 37, this firm, as owner, operator, or guarantor, is demonstrating financial assurance for the closure, post closure, or corrective action of the following facilities through the use of a test equivalent to a financial test specified in 30 TAC Chapter 37. The current cost estimates covered by such a test are shown for each facility:

REGION 1

| | | |
|--------------|--------------------------------------------------------------------------------|--------------------------------------|
| CT001159730 | The Dow Chemical Company Allyn's Point Route 12 Gales Ferry, CT 06335 | Closure = \$169,008 |
| NHD048724173 | Hampshire Chemical Corp. 2 East Spit Brook Road Nashua, NH 03060-5633 | Corrective Action = \$151,091 |

REGION 4

| | | |
|--------------|----------------------------------------------------------------------------------------|----------------------------------------|
| GAD045929643 | The Dow Chemical Company Dalton Plant 1468 Prosser Drive, SE Dalton, GA 30720 | Corrective Action = \$3,930,493 |
|--------------|----------------------------------------------------------------------------------------|----------------------------------------|

REGION 5

| | | |
|--------------|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------|
| MID000724724 | The Dow Chemical Company MI Division/MI Plant 1261 Building Midland, MI 48674 | Closure = \$96,952,558 Post-Closure = \$2,293,112 |
| MID980617435 | The Dow Chemical Company MI Division/Salzburg Plant Salzburg & Waldo Roads Midland, MI 48640 | Closure = \$6,826,199 Post-Closure = \$1,474,366 |

REGION 6

| | | |
|--------------|----------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| LAD008187080 | The Dow Chemical Company Louisiana Division PO Box 150 Plaquemine, LA 70764 | Closure = \$4,118,073 Post-Closure = \$486,800 |
| LAD020597597 | Angus Chemical Company Sterlington Facility PO Box 1325 Sterlington, LA 71280 | Closure = \$115,097 |

REGION 9

| | | |
|--------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CAD076528678 | The Dow Chemical Company Pittsburg Plant PO Box 1398 Pittsburg, CA 94565 | Closure = \$1,434,662 Postclosure = \$923,985 Corrective Action = \$38,325,006 Groundwater Treatment Plant Closure = \$147,831 |
| CAD009547050 | The Dow Chemical Company Torrance Plant 305 Crenshaw Torrance, CA 90503 | Closure = \$458,773 |

3. The firm identified above owns or operates the following facilities for which financial assurance for closure, post closure, or corrective action, is not demonstrated either to TCEQ, a federal agency or a State through the financial test or any other financial assurance mechanisms specified in 30 TAC Chapter 37 or equivalent State mechanisms. The current cost estimates not covered by such financial assurance are shown for each facility:

None.

4. This firm is the owner or operator or guarantor of the following facilities for which financial assurance is being demonstrated under other EPA regulations or state programs authorized by EPA through a financial test or guarantee. The following amounts have not been included in Paragraphs 1 through 4.

- (a) Municipal solid waste management facilities under 30 TAC Chapter 330, 40 CFR part 258 or equivalent: None.

- (b) Underground injection control facilities under 30 TAC Chapter 331, 40 CFR part 144 or equivalent: \$228,238

REGION 6

LAD020597597

Angus Chemical Company
Sterlington Facility
PO Box 1325
Sterlington, LA 71280

**Plugging & Abandonment
= \$228,238**

- (c) Petroleum underground storage tank facilities under 30 TAC Chapter 334, and 40 CFR part 280 or equivalent: None.
- (d) PCB storage facilities under 40 CFR part 761 or equivalent: None.
- (e) Hazardous waste treatment, storage, and disposal facilities under 30 TAC Chapter 335, 40 CFR parts 264 and 265 or equivalent: \$8,141,509

REGION 1

072-IL

The Dow Chemical Company
Allyn's Point
Route 12
Gales Ferry, CT 06335

Closure = \$169,008

REGION 6

GPD0470107
P-0069

The Dow Chemical Company
Block 80 Industrial Solid Waste Landfill
Pactherm Burner
PO Box 150
Plaquemine, LA 70765

**Closure = \$5,911,179
Post-Closure = \$1,133,335
Pactherm Closure = \$26,235**

GD0733625

Angus Chemical Company
Waste Water Treatment Plant Lagoon
5000 Horeshoe Lake Road
Sterlington, LA 71280

**Closure = \$591,214
Post-Closure = \$310,538**

- (f) Additional environmental obligations not shown above: None.

Total (a) - (f) \$8,369,747

This owner, operator, or guarantor has not received an adverse opinion, a disclaimer of opinion, or a going concern qualification from an independent auditor on its financial statements for the latest completed fiscal year.

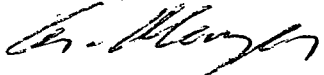
This firm is required to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year. The fiscal year of this firm ends on December 31. The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended December 31, 2005.

PART B. CLOSURE, POST CLOSURE, CORRECTIVE ACTION, AND LIABILITY COVERAGE

ALTERNATIVE II

- | | | | | |
|------|------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-----------|---|
| 1. | Sum of current closure, post closure, and corrective action cost estimates (total of all cost estimates listed above) | \$409,104,547 | | |
| 2. | Amount of annual aggregate liability coverage to be demonstrated | \$8,000,000 | | |
| 3. | Sum of lines 1 and 2 | \$417,104,547 | | |
| 4. | Current bond rating of most recent issuance and name of rating service | A- (S&P) | | |
| 5. | Date of issuance of bond | November 22, 2002 | | |
| 6. | Date of maturity of bond | November 15, 2007 | | |
| *7. | Tangible net worth (if any portion of the current cost estimates is included in total liabilities you may add that portion to this line) | \$11,741,000,000 | | |
| *8. | Total assets in the U.S. (Required only if less than 90% of assets are located in the U.S.) | \$24,652,000,000 | | |
| | | <u>YES</u> | <u>NO</u> | |
| 9. | Is line 7 at least \$10 million? | X | | |
| 10. | Is line 7 at least 6 times line 3? | X | | |
| *11. | Are at least 90% of assets located in the U.S.? (If not, complete line 12) | | | X |
| 12. | Is line 8 at least 6 times line 3? | X | | |

I hereby certify that the wording of this letter is identical to the wording specified in 30 TAC §37.651 as such regulations were constituted on the date shown immediately below.


Geoffery E. Merszei
Executive Vice President
And Chief Financial Officer
The Dow Chemical Company

March 27, 2006

cc: Michele Osmun, The Dow Chemical Company, 2030 Dow Center, Midland, MI
Janice Barber, The Dow Chemical Company, La Porte, TX
Alan Booth, The Dow Chemical Company, Freeport, TX
Jeff Jack, Johann Haltermann Ltd., Houston, TX
Barbara Partridge, The Dow Chemical Company, Pasadena, TX
Steve Beisser, The Dow Chemical Company, La Porte, TX

NOTE: Please direct all correspondence related to this letter to Michele Osmun, 2030 Dow Center, Midland, MI 48674. Phone (989) 636-5581 or Fax (989) 638-9636.



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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Directors
The Dow Chemical Company
Midland, Michigan

We have performed the procedures included in the Code of Federal Regulations ("CFR"), Title 40, Part 264, Section 143 (40 CFR 264.143), which were agreed to by the Texas Commission on Environmental Quality - Director and The Dow Chemical Company ("Dow"), solely to assist the specified parties in evaluating Dow's compliance with the financial test option as of December 31, 2005, included in the accompanying letter dated March 27, 2006 from Mr. Geoffery E. Merszei of Dow. Management is responsible for Dow's compliance with those requirements. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures that we performed and related findings are as follows:

We recomputed from, or reconciled to, the audited consolidated financial statements of Dow as of and for the year ended December 31, 2005, on which we have issued our report dated February 8, 2006 (which report expresses an unqualified opinion and includes an explanatory paragraph relating to a change in the method of accounting for stock-based compensation to conform to Statement of Financial Accounting Standards No. 123 for new grants of equity instruments to employees) the information included in Items 7, 8 and 11 under the caption Alternative II in the Letter referred to above and noted no differences.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on the accompanying letter dated March 27, 2006. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the board of directors and management of Dow and the specified parties listed in the first paragraph, and is not intended to be and should not be used by anyone other than these specified parties.

March 27, 2006